

Unit 2: Cost of Living and Budget

2/06/15

What does the phrase "cost of living" mean to you?

Costs more to live nice, bills, food, clothing, utilities, medicine, housing, insurance, transportation, grooming, education, child care, cable/satellite, internet, video games, music, phone, computer, movies, going out

What is a budget?

how much you get to spend
in a month or per pay period

Unit 2: Cost of Living and Budget

2/06/15

Household Budget Exploration Project

Income

Expenses: Fixed, Variable

Graphs (3): Income, Fixed Expenses, Variable Expenses

Spreadsheet: Excel or Google Docs Spreadsheet

IWBAT

- discuss types of wages and how to convert between the types.

I will capture my thinking using the math note catcher including teacher and student-team modeled example problems on the Promethean board. I will demonstrate my understanding on my exit ticket.

2.1 Types of Wages

2/09/15

Wages - how much you get paid per unit of time

Hourly wage - how much you are paid in one hour

Salary - annual pay not dependent on the hours you work

IWBAT types of wages and how to convert between the types.

2.1 Types of Wages

2/09/15

Overtime - extra pay for working more than 40 hrs in one week (usually 1.5x base rate or more)

Converting from an hourly wage to annual salary:

Johnny makes \$9 per hour for the first 40 hours he works each week. If he works eight hours per day, six days per week for three weeks per month, what is his annual pay?

$$\begin{array}{l} \$9 \times 40 = \$360 \\ 1.5 \times \$9 \times 8 = \$108 + \\ \hline \$468 / \text{wk} \end{array}$$
$$\begin{array}{r} \$468 / \text{wk} \\ \times \quad 3 \text{ wk / mo} \\ \hline \$1404 / \text{mo} \\ \times \quad 12 \text{ mo / yr} \\ \hline \$16,848 / \text{yr} \end{array}$$

IWBAT types of wages and how to convert between the types.

2.1 Types of Wages

2/09/15

Converting from annual salary to an hourly wage:

Sonia has accepted a position which pays \$37,000 per year. If she averages 55 hours per week for 42 weeks per year, what is her effective hourly wage?

$$\frac{\$37000/\text{yr}}{42 \text{ wk/yr}} = \frac{\$880.95/\text{wk}}{55 \text{ hr/wk}} = \$16.01/\text{hr}$$

IWBAT types of wages and how to convert between the types.

2.1 Types of Wages

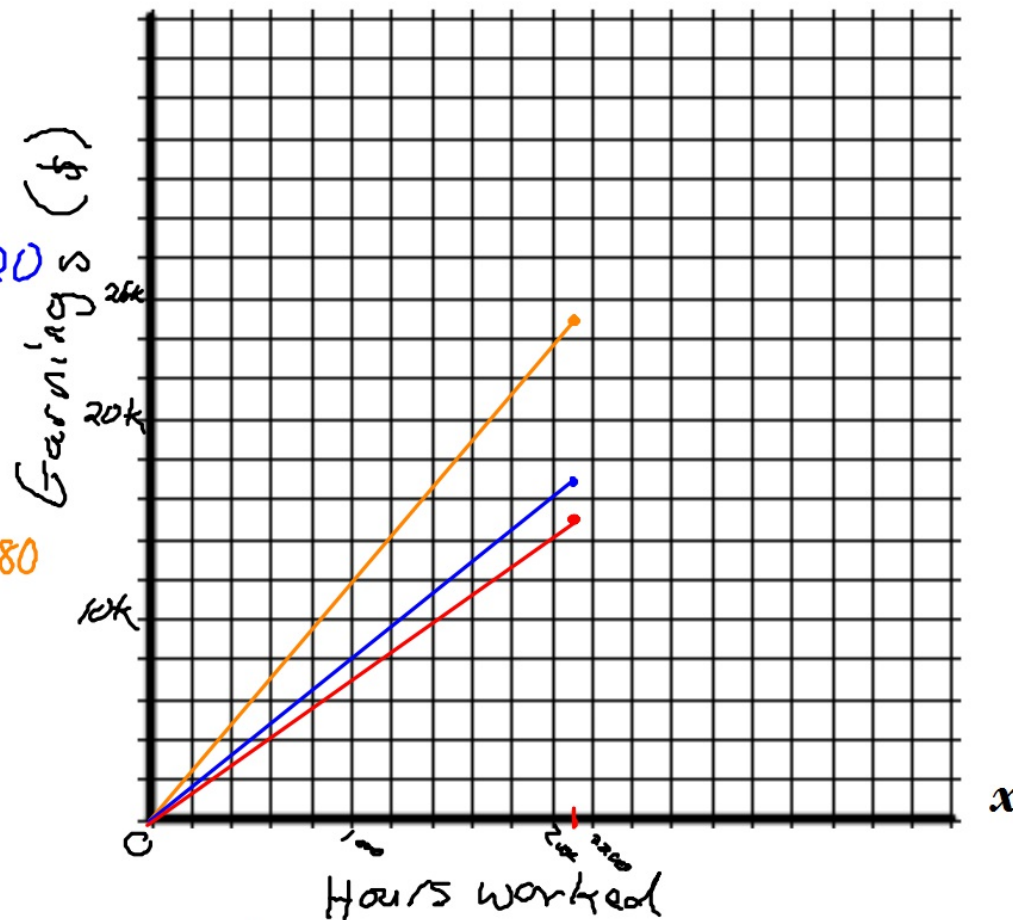
2/09/15

Jesus is paid \$7.35/hr. Sara is paid \$8/hr.
Shannon is paid \$12/hr. Plot their earnings
over a year of 40 hr work weeks. 52wk

Jesus
 $\$7.35 \times 40 = \294
 $\$294 \times 52 =$
 $\$15288$

Sara
 $\$8 \times 40 = \320
 $\$320 \times 52 =$
 $\$16640$

Shannon
 $\$12 \times 40 = \480
 $\$480 \times 52 =$
 $\$24960$



$$\frac{24960 - 0}{2080 - 0} =$$
$$\frac{24960}{2080} = 12$$

Slope = hourly wage

IWBAT types of wages and how to convert between the types.

2.1 Types of Wages

2/09/15

Vocabulary: Appendix A.3 Key Terms

Practice: 2.1.2

Quiz 2.1.3

IWBAT types of wages and how to convert between the types.

2.2 Compensation Packages

2/11/15

What is compensation? What forms can it take?

You get paid for something you did or
for something that happened to you.

money
goods
time off
services

2.2 Compensation Packages

2/11/15

Total Compensation

Wages
Medical Ins.
Dental Ins.
Vision Insurance
Auto Ins.
Home owner
Vacation days
Workman's comp.
Sick days
Holidays

Maternity/paternity leave
employee discount
food allowance
Company car
temporary housing
moving expenses
milage
expense account
bonuses
raise
promotion

IWBAT

- discuss compensation packages,
- what may be included in one,
- how to calculate the value of a compensation package.

I will capture my thinking using the math note catcher including teacher and student-team modeled example problems on the Promethean board. I will demonstrate my understanding on my exit ticket.

2.2 Compensation Packages

2/11/15

Insurance

✓ Medical

✓ Life

✓ Dental

✓ Vision

Auto/Motorcycle

Home

Renter's

✓ Workman's Compensation

Flood

Pet

Boat/RV

IWBAT discuss compensation packages, what may be included in one, and how to calculate the value of a compensation package.

2.2 Compensation Packages

2/11/15

Vacation

Sick days

paid vacation days

Compensation time

paid holidays

PTO - paid time off

"flex time"

IWBAT discuss compensation packages, what may be included in one, and how to calculate the value of a compensation package.

2.2 Compensation Packages

2/11/15

Retirement

401K/403B

Employer contribution what your employer pays

Matching contribution employer contributes a portion of the amount you contribute

Contribution limits the maximum level of money into the account

IWBAT discuss compensation packages, what may be included in one, and how to calculate the value of a compensation package.

2.2 Compensation Packages

2/11/15

Total compensation

$$\text{Salary} + \text{Benefits} = \text{Total Compensation}$$

An architect's compensation package includes the total cost of a \$250-per-month health insurance plan, the total cost of a \$35-per-month life insurance plan, and a salary of \$55,000 per year. What is the yearly value of the compensation package?

$$\begin{aligned} \$55,000 + \$35(12) + \$250(12) &= \\ & \$4,200 + \$3,000 \\ & \$58,420 \end{aligned}$$

IWBAT discuss compensation packages, what may be included in one, and how to calculate the value of a compensation package.

2.2 Compensation Packages

9/05/14

What is the annual value of a 401(k) plan in which the employer agrees to match 2.5% up to \$15,000 if the employee contributes \$15,000?

What is the true hourly wage of a job that pays \$17 per hour and allows 10 hours of paid time off for every 200 hours worked?

$$\frac{\$17_{/h} \times 210h}{200h} = \$17.85$$

IWBAT discuss compensation packages, what may be included in one, and how to calculate the value of a compensation package.

2.2 Compensation Packages

9/05/14

Vocabulary: Appendix A.3 Key Terms
Practice: 2.2.2

IWBAT discuss compensation packages, what may be included in one, and how to calculate the value of a compensation package.

2.3 Piece Rate

2/12/15

An assembly technician has weekends off and has 15 paid vacation days per year, including holidays that fall on weekdays. If her salary is \$63,700 per year, what is her pay per workday?

$$\text{or } 365 \text{ d/yr} - (2 \times 52) - 15 = 246 \text{ days}$$

$$5 \times 52 - 15 = 245 \text{ days}$$

$$\frac{\$63,700}{245 \text{ days}} = \$260 / \text{day}$$

2.3 Piece Rate

2/12/15

What is piece rate?

How much you are paid per piece of work completed

IWBAT

- how to estimate hourly pay from piece rate
- model piece rates using scatter plots.

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2.3 Piece Rate

2/12/15

Cliff worked 9 hours yesterday, produced 28 units, and earned \$8.75 for each unit produced. Find Cliff's average hourly wage.

$$\$8.75 \times 28 = \$245$$

$$\frac{\$245}{9 \text{ h}} = \$27.22/\text{h}$$

IWBAT how to estimate hourly pay from piece rate, and model piece rates using scatter plots.

2.3 Piece Rate

2/12/15

A property inspector gets paid \$350 for each property inspected. If it takes him 8 hours on average to inspect a property and he spends 48 hours each week inspecting properties, what is his average hourly wage?

$$\frac{\$350}{8h} = \$43.75/h$$

$$\frac{\$350 \times 8K}{48K} = \$$$

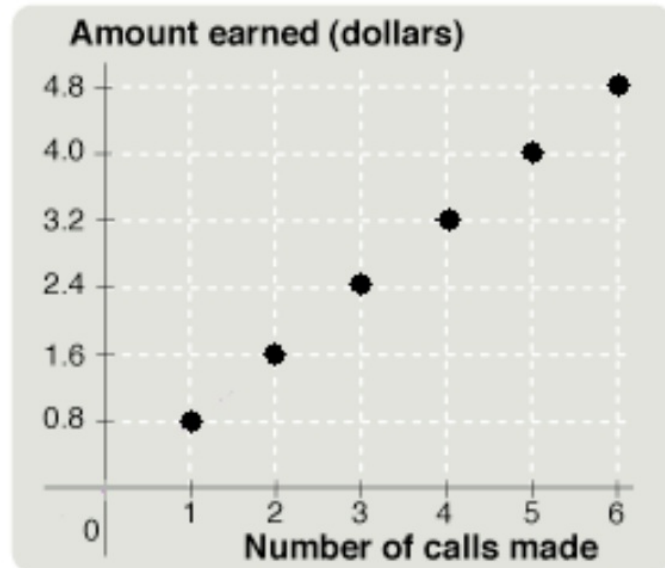


IWBAT how to estimate hourly pay from piece rate, and model piece rates using scatter plots.

2.3 Piece Rate

2/12/15

A telemarketer earns a fixed amount for each call that he makes, as shown in the graph below. If the telemarketer makes 12 calls, how much will he earn in total?



$$\frac{\$4.80}{6 \text{ calls}} = \frac{\$9.60}{12 \text{ calls}}$$

discrete

Scatter plot

IWBAT how to estimate hourly pay from piece rate, and model piece rates using scatter plots.

Vocabulary: Appendix A.3 Key Terms
Practice: 2.3.2

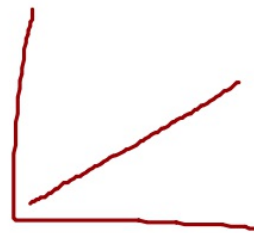
IWBAT how to estimate hourly pay from piece rate, and model piece rates using scatter plots.

2.4 Linear Equations and Wages

2/13/15

What is a linear equation? What is the difference between a continuous graph and a discrete graph?

$$y = mx + b$$



Continuous



Discrete

A linear equation describes a graph with a constant rate of change (slope)

2.4 Linear Equations and Wages

2/13/15

Review the general equation of a line and relate it to hourly wages.

$$y = mx$$

x = hours worked

m = earnings per hour

y = pay earned

What is the equation of a line whose y-intercept is not zero?

$$y = mx + \underline{b}$$

b = starting bonus

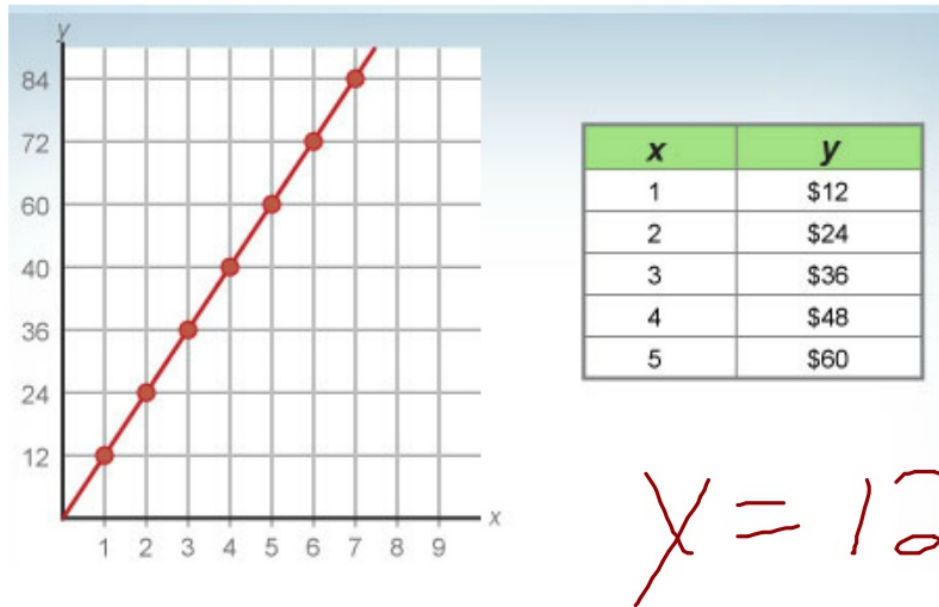
IWBAT

- model a salary that includes a starting bonus
- understand the y-intercept in a linear equation
- use piece-wise functions to model changes in salary
- explore the graphing function of a graphing calculator.

I will capture my thinking using the math note catcher including teacher and student-team modeled example problems on the Promethean board. I will demonstrate my understanding on my exit ticket.

2.4 Linear Equations and Wages

2/13/15



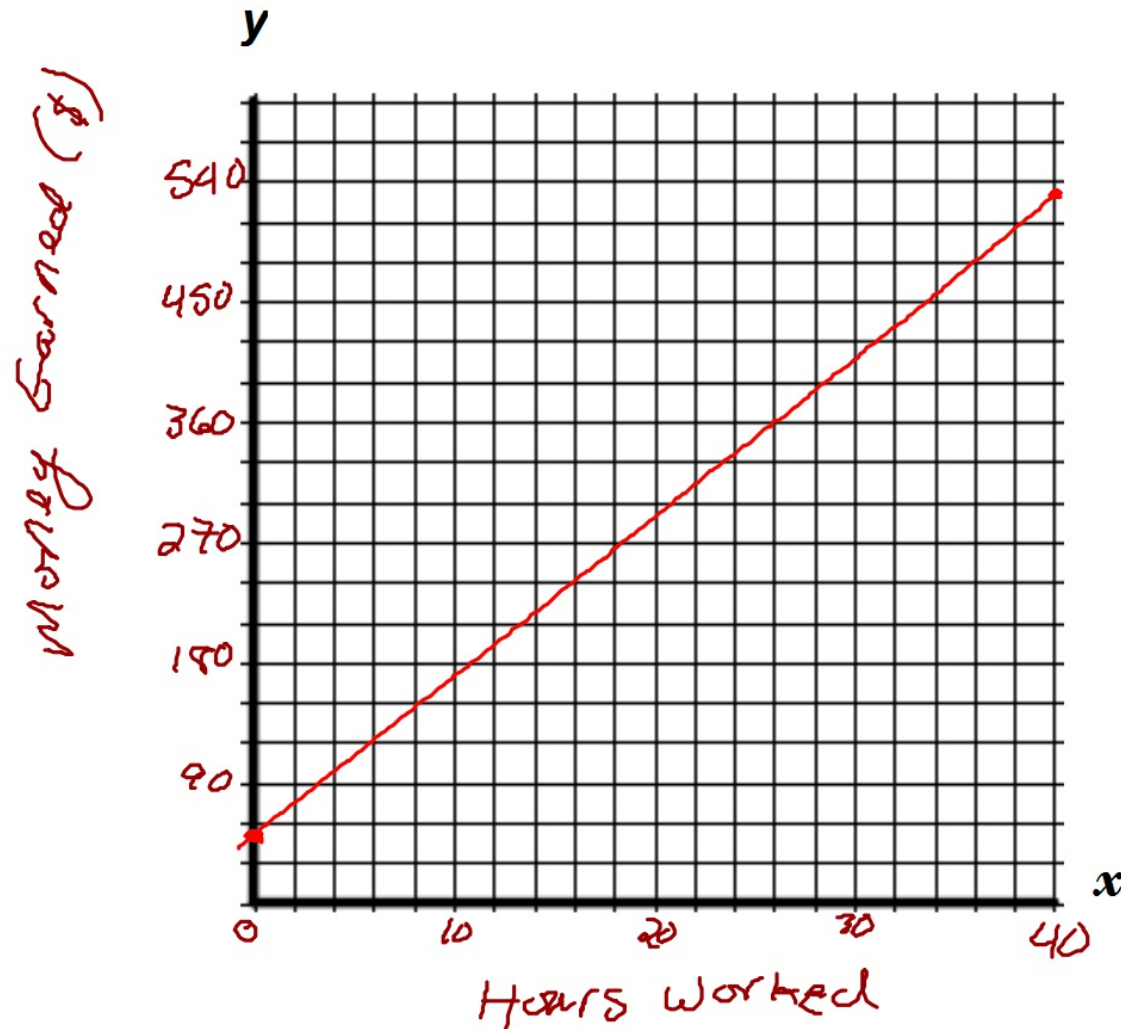
$$\frac{\$12 - 0}{1h - 0} = \$12/h$$

IWBAT model a salary that includes a starting bonus, understand the y-intercept in a linear equation, use piece-wise functions to model changes in salary, and explore the graphing function of a graphing calculator.

2.4 Linear Equations and Wages

2/13/15

Suppose you are given a \$50 signing bonus at the boutique in addition to your \$12 an hour wage. ~~You will now fill in a table for this situation, where x is the number of hours~~



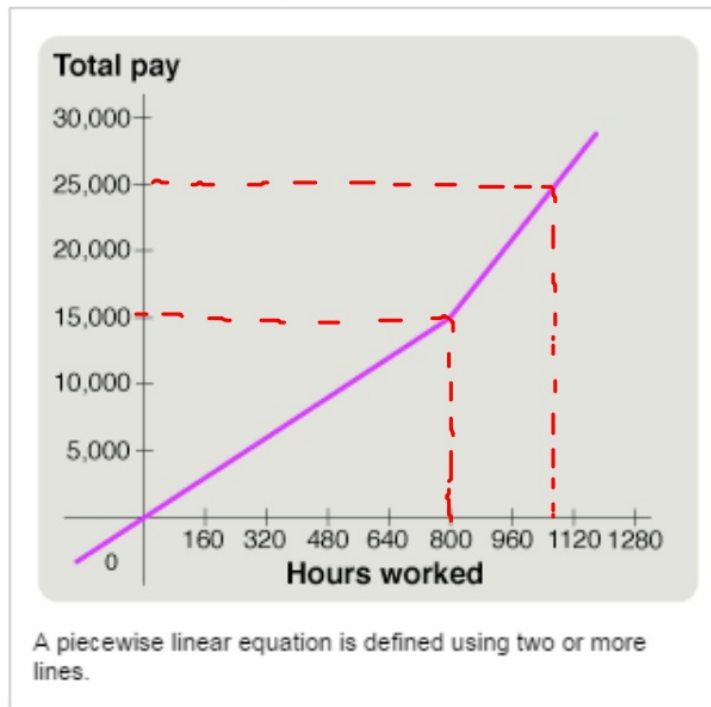
$$y = 12x + 50$$

40, 530

IWBAT model a salary that includes a starting bonus, understand the y-intercept in a linear equation, use piece-wise functions to model changes in salary, and explore the graphing function of a graphing calculator.

2.4 Linear Equations and Wages

2/13/15



2.4.1 p. 11

$$y = \frac{150}{8}x, \quad 0 < x \leq 800$$

$$y = 40x, \quad 800 < x$$

$$\frac{25000 - 15000}{1050 - 800} = \frac{10000}{250} = 40$$

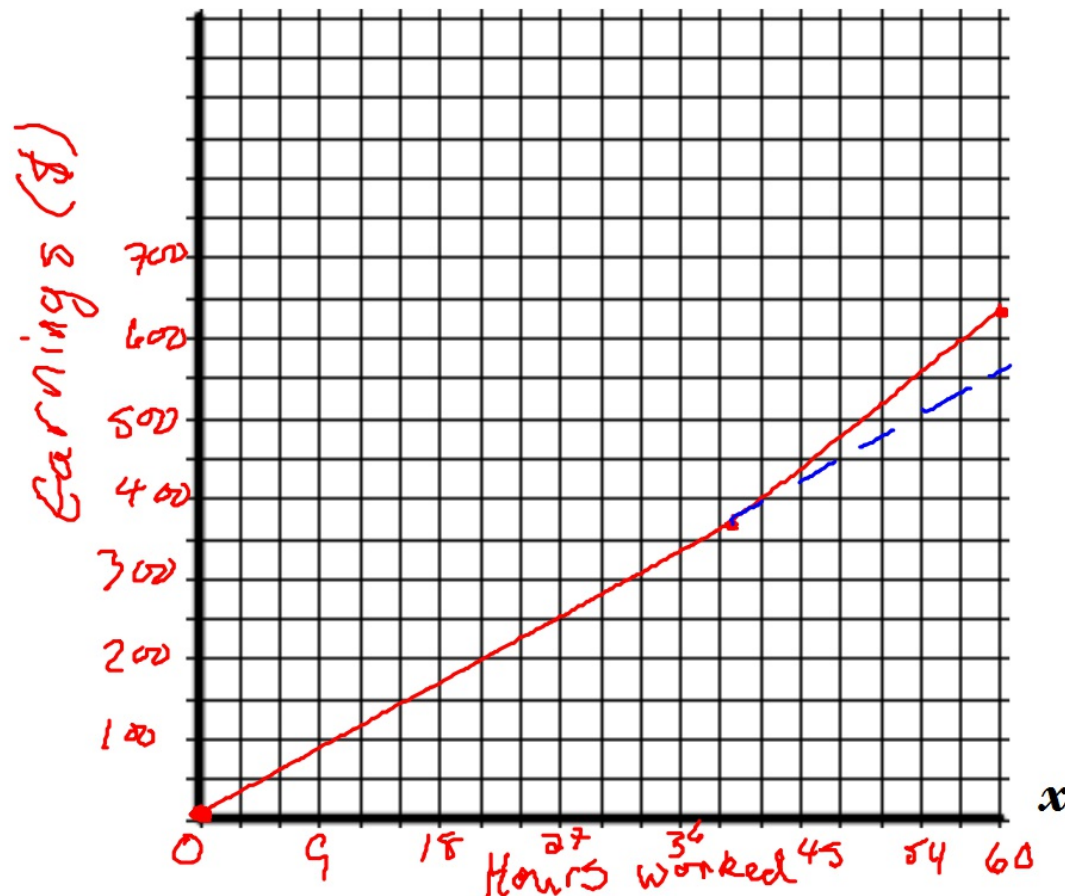
$$y = \begin{cases} 18.75x, & 0 < x \leq 800 \\ 40x, & 800 < x \end{cases} \quad \text{piecewise equation}$$

IWBAT model a salary that includes a starting bonus, understand the y-intercept in a linear equation, use piece-wise functions to model changes in salary, and explore the graphing function of a graphing calculator.

2.4 Linear Equations and Wages

2/13/15

Johnny makes \$9 per hour for the first 40 hours he works each week and makes 1.5*regular for overtime. Graph his pay. Give the piecewise equations.



$$y = \begin{cases} 9x, & 0 \leq x \leq 40 \\ 13.5(x-40) + 360, & 40 < x \leq 60 \end{cases}$$

$$40, 360$$

$$60, 20(13.5) + 360$$

$$60, 630$$

IWBAT model a salary that includes a starting bonus, understand the y-intercept in a linear equation, use piece-wise functions to model changes in salary, and explore the graphing function of a graphing calculator.

Vocabulary: Appendix A.3 Key Terms

Practice: 2.4.2

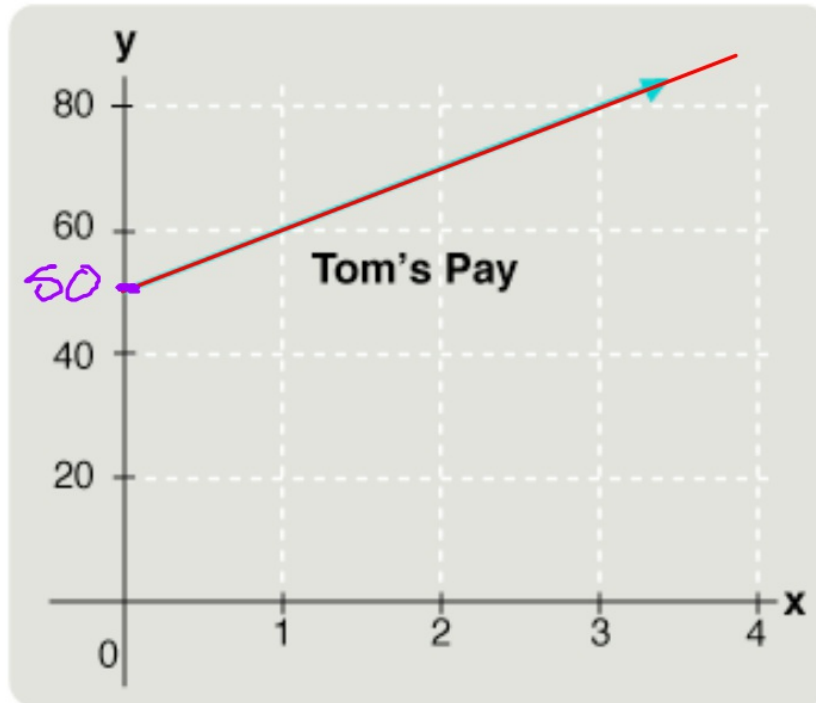
Quiz 2.4.3

IWBAT model a salary that includes a starting bonus, understand the y-intercept in a linear equation, use piece-wise functions to model changes in salary, and explore the graphing function of a graphing calculator.

2.5 Percentages and Commission

2/18/15

Given a graph, determine the employee's rate of pay and, if there was a bonus, the amount of that bonus.



Starting bonus \$50

$$\frac{\$60 - \$50}{1 \text{ h}} = \$10/\text{h}$$

2.5 Percentages and Commission

2/18/15

What does it mean to be paid a commission?

you are paid per amount you sell

Push money *incentive to sell a particular product*

2.5 Percentages and Commission

2/18/15

IWBAT

- understand graduated commission and base pay
- use percentages to compute a total commission.

I will capture my thinking using the math note catcher including teacher and student-team modeled example problems on the Promethean board. I will demonstrate my understanding on my exit ticket.

2.5 Percentages and Commission

2/18/15

Straight Commission

you are paid a percentage of your sales

Flat Commission (Piece Rate)

paid the same amount no matter what item you sell

IWBAT understand graduated commission and base pay, and use percentages to compute a total commission.

2.5 Percentages and Commission

Graduated Commission

2/18/15

\$50,000

Amount Sold	Commission
Up to \$1000	10%
\$1000 - \$20,000	20%
Over \$20,000	25%

$$\$100 = \$1,000 \times .10$$

$$\$3800 = \$19,000 \times .20$$

$$+ \$7500 = \$30,000 \times .25$$

\$11,400 total commission

IWBAT understand graduated commission and base pay, and use percentages to compute a total commission.

2.5 Percentages and Commission

2/18/15

Total Commission

Total commission = number of items sold *
commission rate * cost of item sold

$$12 \cdot \$200 \cdot .10 = \$240$$

$$\frac{\$3600}{\$262.50} = X \cdot \underbrace{.15 \cdot \$1750}_{\$262.50}$$

$$X = 13.7$$

IWBAT understand graduated commission and base pay,
and use percentages to compute a total commission.

2.5 Percentages and Commission

2/18/15

Total Income

Total income = base pay + total commission

$$\$45,200 = \$33,800 + \$11,400$$

$$\begin{array}{r} \$37,800 = \$28,750 + X \\ - 28,750 \\ \hline \$9,050 = X \end{array}$$

\$82,000 in sales

$$\text{rate} = \frac{9050}{82000} = .11 \Rightarrow 11\%$$

IWBAT understand graduated commission and base pay, and use percentages to compute a total commission.

2.5 Percentages and Commission

2/18/15

Vocabulary: Appendix A.3 Key Terms

Practice: 2.5.2

Quiz 2.5.3

IWBAT understand graduated commission and base pay,
and use percentages to compute a total commission.

Calculate the commission for an employee.

John is an appliance salesman. His pay is based on commission only and is currently 26% for each appliance sold. Last month he sold 3 dishwashers for \$499 each, 2 freezers for \$199 each, and 1 stainless steel oven for \$899. Find the total commissions John earned last month.

$$3 \times 499 = 1497$$

$$2 \times 199 = 398$$

$$+ 899$$

$$\hline 2794 \times .26 = \$726.44$$

IWBAT

- Categorize budget expenditures/expenses

I will capture my thinking using the math note catcher including teacher and student-team modeled example problems on the Promethean board. I will demonstrate my understanding on my exit ticket.

**Guidelines for budget exploration activity
& record of decisions w/ reasoning**

IWBAT categorize budget expenditures/expenses

Working with a partner, you will:

1. Proceed to <http://econedlink.org/i145> .
2. Play the game Budget Odyssey online.
3. Discuss all decisions with your partner.
4. Record all of your decisions and reasoning on the graphic organizer (more copies available if needed).
5. Continue playing until you can complete the game without any incorrect decisions.
6. Turn in your graphic organizer at the end of class or the successful conclusion of the game (whichever comes first).
7. Work on previously assigned work which remains incomplete. **Now is a good time to set up your budget spreadsheet, if you have not already done so.**

IWBAT categorize budget expenditures/expenses

**Turn in your completed
record of expenditure
categorizations w/ reasoning.**

IWBAT categorize budget expenditures/expenses

2.6 Required Paycheck Deductions

2/20/15

Categorize a set of budget expenditures/expenses

Student loan payment

Savings account interest

Mortgage payment

Renter's insurance

Purchase snow boots

Groceries

Paycheck

Tattoo

Diapers

Birthday money

Income

Savings account interest

Paycheck

Birthday money

Fixed expenses

Student loan payment

Mortgage payment

Renter's insurance

Variable expenses

Purchase snow boots

Groceries Diapers

Tattoo Birthday money

2.6 Required Paycheck Deductions

2/20/15

What kinds of things are found as deductions on a paycheck?

Taxes
Medicaid
Insurance
Garnishment
Uniform

HSA
Union dues
Retirement
Summer money

Taxes

Deduction
PENSION-COLORADO PERA
CITY OCCUPATIONAL HEAD TAX
STATE WITHHOLDING TAX
FEDERAL WITHHOLDING TAX
MEDICARE TAX - EMPLOYEE

Company Taxes

Deduction
PERA-EMPLOYER

Pre-Tax Deductions

Deduction
DELTA EXCLUSIVE PANEL PRETAX
CIGNA - HMO LOW - Pretax
VISION INSURANCE PRETAX

After-Tax Deductions

Deduction
DEN CLASSROOM TCHRS ASSOC - FT

Company Deductions

Deduction
CIGNA - HMO LOW - ER

2.6 Required Paycheck Deductions

2/20/15

IWBAT

- understand which deductions are required on a paycheck
- calculate how each deduction is made
- work through examples where all deductions are taken into account.

I will capture my thinking using the math note catcher including teacher and student-team modeled example problems on the Promethean board. I will demonstrate my understanding on my exit ticket.

2.6 Required Paycheck Deductions

2/20/15

Gross income

Money you are paid before

Net income

Deductions

Money you get after deductions, take home pay

Required deductions:

- Federal Income Tax
- State Income Tax
- Social Security
- Medicare

IWBAT understand which deductions are required on a paycheck, calculate how each deduction is made, and work through examples where all deductions are taken into account.

2.6 Required Paycheck Deductions

2/20/15

Federal Insurance Contributions Act (FICA)

FICA = Social Security + Medicare

Social Security: 6.2%

Medicare: 1.45%

$$\text{FICA} = 7.65\%$$

Pay periods:

- Annually 1 time per yr.
- Quarterly 4
- Monthly 12
- Biweekly 26
- Weekly 52
- Semi-monthly 24

IWBAT understand which deductions are required on a paycheck, calculate how each deduction is made, and work through examples where all deductions are taken into account.

2.6 Required Paycheck Deductions

2/20/15

Johnny makes \$9 per hour for the first 40 hours he works each week. He is paid biweekly. How much is deducted from his paycheck for FICA? 7.65%

$$40 \text{ h/wk} \times \$9/\text{h} \times 2 \text{ wk} = \$720$$

$$\$720 \times 0.0765 = \$55.08$$

IWBAT understand which deductions are required on a paycheck, calculate how each deduction is made, and work through examples where all deductions are taken into account.

2.6 Required Paycheck Deductions

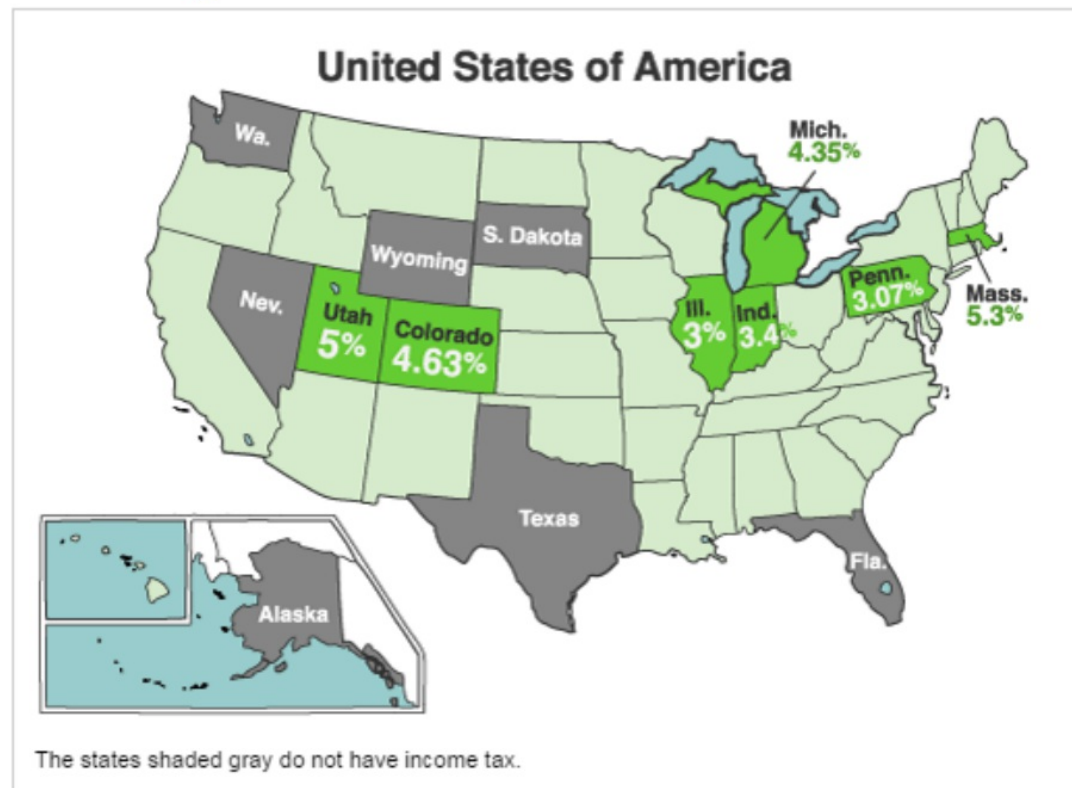
2/20/15

State Income Tax

None WA, WY, FL, TX, NV, SD, AK

Flat tax

Every person pays the same percentage.
regardless of income



IWBAT understand which deductions are required on a paycheck, calculate how each deduction is made, and work through examples where all deductions are taken into account.

2.6 Required Paycheck Deductions

2/20/15

Income Tax

Progressive tax

Tax brackets

Higher income higher percentage in taxes

Income ranges for each tax percentage.

Single Taxpayers:

If Taxable Income Is:	The Tax Is:
Not over \$9,075	10% of the taxable income
Over \$9,075 but not over \$36,900	\$907.50 plus 15% of the excess over \$9,075
Over \$36,900 but not over \$89,350	\$5,081.25 plus 25% of the excess over \$36,900
Over \$89,350 but not over \$186,350	\$18,193.75 plus 28% of the excess over \$89,350
Over \$186,350 but not over \$405,100	\$45,353.75 plus 33% of the excess over \$186,350
Over \$405,100 but not over \$406,750	\$117,541.25 plus 35% of the excess over \$405,100
Over \$406,750	\$118,118.75 plus 39.6% of the excess over \$406,750

IWBAT understand which deductions are required on a paycheck, calculate how each deduction is made, and work through examples where all deductions are taken into account.

2.6 Required Paycheck Deductions

2/20/15

Vocabulary: Appendix A.3 Key Terms

Practice: 2.6.2

Quiz 2.6.3

IWBAT understand which deductions are required on a paycheck, calculate how each deduction is made, and work through examples where all deductions are taken into account.

2.7 Optional Paycheck Deductions

2/25/15

Imagine you are applying for a job that pays \$46,200 per year.
You live in New York, which has the following income tax brackets:

Single and married filing separately — filing status ① and ③.					
over	but not over	The tax is:			
\$ 0	\$ 8,000				
8,000	11,000	\$320	plus	4.5%	of the excess over \$ 8,000
11,000	13,000	455	plus	5.25%	" " " "
13,000	20,000	560	plus	5.9%	" " " "
20,000	200,000	973	plus	6.85%	" " " "
200,000	500,000	13,303	plus	7.85%	" " " "
500,000	36,853	plus	8.97%	" " " "

$$\begin{array}{r}
 46200 \\
 - 20000 \\
 \hline
 26200 \\
 \times 0.0685 \\
 \hline
 1794.70 \\
 \hline
 26200 + 1794.70 = 27994.70
 \end{array}$$

Your federal income tax rate is 22%. What is your net income after all required deductions?

$$\begin{array}{l}
 \text{FIT } \$46200 \times 0.22 = \$10164 \\
 \text{FICA } \$46200 \times 0.0765 = \$3534.30 \\
 \text{SIT } \$973 + \$1794.70 = \$2767.70 \\
 \hline
 \$16466
 \end{array}$$

$$\begin{array}{r}
 \$46200 \\
 - 16466 \\
 \hline
 \$29,734
 \end{array}$$

2.7 Optional Paycheck Deductions

2/25/15

What kinds of deductions are optional?

Insurance
Retirement
Uniforms
HSA / FSA
→ Garnishment
Summer pay
(reserved pay)
Union Dues
Disability

Taxes

Deduction
PENSION-COLORADO PERA
CITY OCCUPATIONAL HEAD TAX
STATE WITHHOLDING TAX
FEDERAL WITHHOLDING TAX
MEDICARE TAX - EMPLOYEE

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DEN CLASSROOM TCHRS ASSOC - FT

Company Deductions

Deduction
CIGNA - HMO LOW - ER

2.7 Optional Paycheck Deductions

2/25/15

IWBAT

- explore optional deductions such as health insurance, life insurance, disability, and retirement
- practice computing optional deductions
- understand which optional deductions reduce your taxable income.

I will capture my thinking using the math note catcher including teacher and student-team modeled example problems on the Promethean board. I will demonstrate my understanding on my exit ticket.

2.7 Optional Paycheck Deductions

2/25/15

Medical Insurance - to keep you healthy and
Dental to recover from illness or
Health injury
Vision

IWBAT explore optional deductions such as health insurance, life insurance, disability, and retirement, practice computing optional deductions, and understand which optional deductions reduce your taxable income.

2.7 Optional Paycheck Deductions

2/25/15

Disability Insurance — for a physical or mental (psych)
Workman's Comp. disability which precludes work

Life Insurance — pays your beneficiaries
upon the event of your death

IWBAT explore optional deductions such as health insurance, life insurance, disability, and retirement, practice computing optional deductions, and understand which optional deductions reduce your taxable income.

2.7 Optional Paycheck Deductions

2/25/15

Retirement

Pension

401K / 403B

↓
private
industry

↳ public
employees

Pre-tax vs. Post-tax

↳ Reduce your taxable income

IWBAT explore optional deductions such as health insurance, life insurance, disability, and retirement, practice computing optional deductions, and understand which optional deductions reduce your taxable income.

2.7 Optional Paycheck Deductions

2/25/15

Calculating Deductions

$$\text{deduction per paycheck} = \frac{\text{annual cost}}{\text{\# of paychecks}} * \% \text{ employee covers}$$

Ana's employer covers 80% of the cost of a \$5700-per-year health insurance plan, and her share of the cost of the plan is her only optional deduction. How much is deducted from Ana's paycheck each month for health insurance?

$$\frac{\$5700}{12} \times .20 = \$95$$

IWBAT explore optional deductions such as health insurance, life insurance, disability, and retirement, practice computing optional deductions, and understand which optional deductions reduce your taxable income.

2.7 Optional Paycheck Deductions

2/25/15

Vocabulary: Appendix A.3 Key Terms

Practice: 2.7.2

Quiz 2.7.3

IWBAT explore optional deductions such as health insurance, life insurance, disability, and retirement, practice computing optional deductions, and understand which optional deductions reduce your taxable income.

2.8 Income and Career

2/27/15

Calculate an employee's monthly insurance deduction.

30% Braden's employer covers 70% of the cost of a \$5100-per-year health insurance plan, and Braden's share of the cost of the plan is his only optional deduction. How much is deducted from Braden's paycheck each month for health insurance?

$$\frac{\$5100}{12} \times .30 = \$127.50$$

2.8 Income and Career

2/27/15

Explore various sources of income.

Employment
*you work at
a job*

Pros:

Dependable income — you have a paycheck every week, every two weeks, or every month. The type of employment you can obtain is dependent on your education and experience — things you can control.

You work regular hours — usually 35 to 40 each week.

Cons:

You are usually not in charge. Typically you do not get to make your own hours or choose what projects or tasks you must do.

Your wages, hours, and level of responsibility are ultimately up to someone else.

Self-employment
Freelance

Business owner

	Self-employed	Business owner
Differences	You are providing something that you are required to produce.	You own or run an entity that produces something.
	If you take time off, then you will not generate any income.	You can take time off and the business will still operate and generate revenue.
Similarities	You are your own boss. You must make all decisions. There are no taxes deducted from your gross income automatically. You must do this on your own.	

Investment

IWBAT

- consider the relationship between income and career preparation
- explore correlations between income and a worker's skills, education, type of work, and the health of the economy.

I will capture my thinking using the math note catcher including teacher and student-team modeled example problems on the Promethean board. I will demonstrate my understanding on my exit ticket.

2.8 Income and Career

2/27/15

Education Degrees

2.8.1 p.7

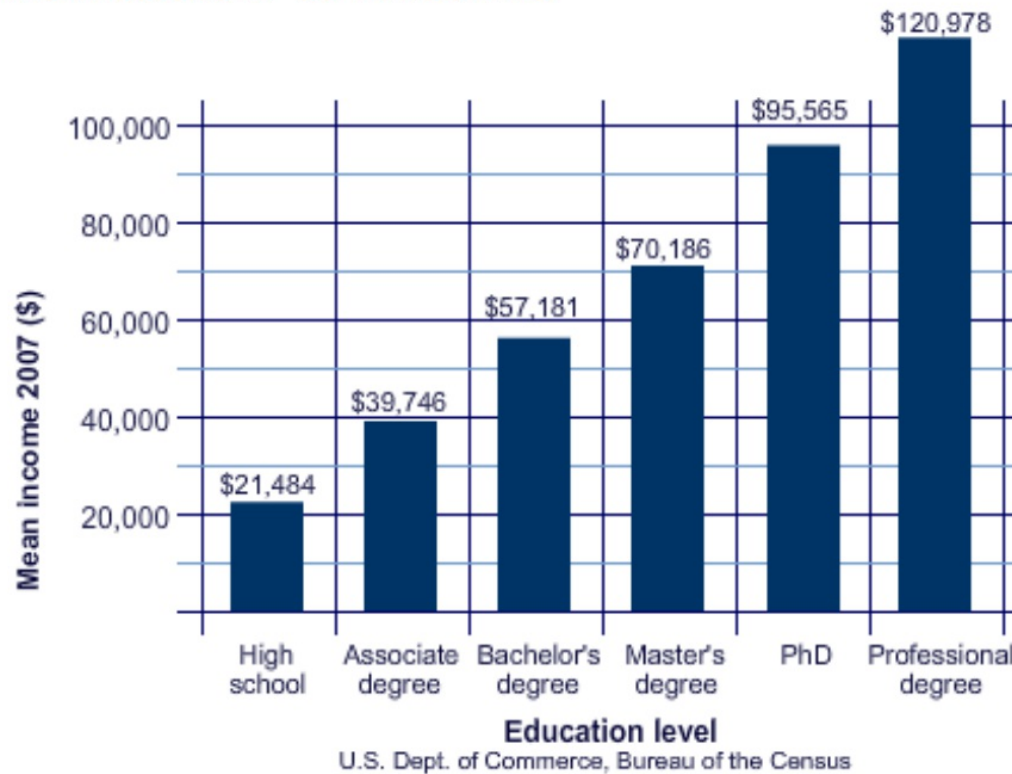
Associates	AA, AS 2 yr	Certificate	Weeks up to 18 months
Bachelors	BA, BS 4 yr (Assoc + 2 yr)		
Masters	MA, MS, MEd... BS + 2 yr		
Doctoral	PhD, EdD, ... MS + 2 yr (up to 5 yr)		
Professional	M.D., DDS, EdS, ... MS + 6-12 yr		

IWBAT consider the relationship between income and career preparation, explore correlations between income and a worker's skills, education, type of work, and the health of the economy.

2.8 Income and Career

Education & Income

2/27/15



IWBAT consider the relationship between income and career preparation, explore correlations between income and a worker's skills, education, type of work, and the health of the economy.

2.8 Income and Career Unemployment

2/27/15

$$\text{Unemployment} = \frac{\text{\# of workers willing and able to work but who are jobless}}{\text{total workers}}$$

To write this ratio as a percentage, you multiply its decimal form by 100.

$$\text{Unemployment rate (\%)} = \frac{\text{\# of workers willing and able to work but who are jobless}}{\text{total workers}} \bullet 100$$

Working with Unemployment Rates

This is a table of unemployment rates. For instance, by looking at the table, you can tell that in February of 2002, 5.7% of the population was unemployed.

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2000	4.0	4.1	4.0	3.8	4.0	4.0	4.0	4.1	3.9	3.9	3.9	3.9
2001	4.2	4.2	4.3	4.4	4.3	4.5	4.6	4.9	5.0	5.3	5.5	5.7
2002	5.7	5.7	5.7	5.9	5.8	5.9	5.8	5.7	5.7	5.7	5.9	6.0
2003	5.8	5.9	5.9	6.0	6.1	6.1	6.3	6.1	6.1	6.0	5.8	5.7
2004	5.7	5.6	5.8	5.6	5.6	5.6	5.6	5.4	5.4	5.5	5.4	5.4
2005	5.3	5.4	5.2	5.2	5.1	5.1	5.0	4.9	5.0	5.0	5.0	4.9
2006	4.7	4.8	4.7	4.7	4.6	4.6	4.6	4.7	4.5	4.4	4.5	4.4
2007	4.6	4.5	4.4	4.5	4.4	4.6	4.4	4.6	4.7	4.7	4.7	5.0
2008	5.0	4.8	5.1	5.0	5.4	5.5	5.4	6.1	6.2	6.6	6.9	7.4
2009	7.7	8.2	8.6	8.9	9.4	9.5	9.4	9.7	9.8	10.1	10.0	10.0
2010	9.7											

Data taken from Bureau of Labor Statistics

1. If there were 7.7 million people unemployed in December of 2007, how many millions of people were available to work?

IWBAT consider the relationship between income and career preparation, explore correlations between income and a worker's skills, education, type of work, and the health of the economy.

2.8 Income and Career

2/27/15

Okun's Law

$$\% \text{ change in GDP} = 3\% - 2 \cdot (\% \text{ change in unemployment}).$$

Types of unemployment

2.8.1 p.16

Structural – skills no longer needed

Frictional – no real reason for not working

Cyclical – follows a recession

Unemployment resistant careers

IWBAT consider the relationship between income and career preparation, explore correlations between income and a worker's skills, education, type of work, and the health of the economy.

Vocabulary: Appendix A.3 Key Terms

Practice: 2.8.2

IWBAT consider the relationship between income and career preparation, explore correlations between income and a worker's skills, education, type of work, and the health of the economy.

Review questions from Friday's practice problems.

$$\frac{100x}{100} \frac{x}{89,000,000} = \frac{5.9\%}{100}$$

$$\cancel{89,000,000} \frac{x}{\cancel{89,000,000}} = .059 \cdot 89,000,000$$
$$x = 5,251,000$$

Structural — skills

Frictional — no good reason people are not hiring

Cyclical — recession

What possible careers are in your future?

Nursing (RN)

Motherhood (stay-at-home)

Midwife

Ultrasound Tech. / Sonographer

Veterinarian (DVM)

Life Coach

Phlebotomist

Business owner (salon)

Orthodontist

IWBAT

- Explain that supply and demand are the primary factors in determining wages.
- Identify several specific factors that affect wage rates.
- Explore wage rates in their potential careers.

Analyze why wage rates in their states may differ from the national average wage for their career.

Procedure

1. Retrieve a computer.
2. Read page one of assignment.
3. Proceed to the URL at the top of page one.
(http://www.bls.gov/oes/current/oes_nat.htm)
4. Follow the directions on page two of the assignment.
5. Record your answers to section 4 questions #1-10.
6. Write a two sentence summary below "Conclusion" explaining
 - what you need to do over the next five years for your chosen career *OR*
 - why you now are looking into a different career other than the one chosen for this exploration.

IWBAT explain that supply and demand are the primary factors in determining wages, identify several specific factors that affect wage rates, and explore wage rates in their potential careers.

Turn in your completed questionnaire with explanation.

IWBAT explain that supply and demand are the primary factors in determining wages, identify several specific factors that affect wage rates, and explore wage rates in their potential careers.

2.9 Cost of Living and Budget

3/04/15

In the country of Apexistan, 7% of the population was unemployed in September of 2007. If there were 147,000,000 people willing and able to work in Apexistan during that month, how many people were unemployed?

$$147,000,000 \times 0.07 = 10,290,000$$

2.9 Cost of Living and Budget

3/04/15

Compare income to the cost of living in various geographical areas.

CPI	New York	Philadelphia	Los Angeles	Cleveland	Atlanta
Overall	165	92	156	78	112
Food	142	106	113	106	100
Housing	203	56	235	27	134
Utilities	165	130	115	126	93
Transportation	120	117	108	106	104
Health	182	102	120	113	104
Miscellaneous	136	112	107	100	99

CPI compares the cost of living in each area to the average for the nation (100).

IWBAT

- analyze how economic conditions affect income
- explore various types of monthly expenditures.

I will capture my thinking using the math note catcher including teacher and student-team modeled example problems on the Promethean board. I will demonstrate my understanding on my exit ticket.

2.9 Cost of Living and Budget

3/04/15

Standard of living — how well you are living on your income

CPI ↓
Cost of living
St of living ↑ for the same income

Budget The amount of money that you can use and the plan for spending responsibly.

IWBAT analyze how economic conditions affect income and explore various types of monthly expenditures.

2.9 Cost of Living and Budget

3/04/15

Budget items

\$36,000 salary

Housing 25% or less on
rent or mortgage

\$692

Utilities electricity, water, gas
minimize

Groceries — food sales, coupons
plan your meals, store brands
only buy what you will eat, buy in bulk
member savings/club cards

Other expenses

Transportation dining out toiletries
Cable Savings phone medicine fun money
insurance clothing membership fees

IWBAT analyze how economic conditions affect income
and explore various types of monthly expenditures.

2.9 Cost of Living and Budget

3/04/15

Vocabulary: Appendix A.3 Key Terms

Practice: 2.9.2

Quiz 2.9.3

IWBAT analyze how economic conditions affect income and explore various types of monthly expenditures.

2.10 Cost of Living and Budget Review

3/05/15

Create formulas in spreadsheet

2.10 Cost of Living and Budget Review

3/06/15

Create a Chart/Graph in spreadsheet

IWBAT

- review for my unit test.

I will capture my thinking using the math note catcher including teacher and student-team modeled example problems on the Promethean board. I will demonstrate my understanding on my exit ticket.

2.10 Cost of Living and Budget Review

3/06/15

Key vocabulary

2.1 Hourly wage, salary

2.2 Total compensation

2.3 Piece rate

2.4 Slope, intercept, piece-wise linear

2.5 Percentage, commission, graduated commission, total commission

2.6 Deductions, FICA, gross income, net income, flat tax, progressive tax, tax brackets

2.7 Pre-tax vs. post-tax

2.8 Unemployment rate, structural unemployment, frictional unemployment, cyclical unemployment

2.9 Cost of living, standard of living, budget

As a class, complete a definition of each key term (26 total).

IWBAT review for my unit test.

2.10 Cost of Living and Budget Review

3/06/15

Key skills

2.1 Converting from salary to hourly wage and from hourly wage to salary

2.2 Calculate total compensation

2.3 Convert piece rate to hourly wage

2.4 Express hourly wage and starting bonus as linear equation, express overtime as a set of piece-wise linear equations

2.5 Calculate total commission

2.6 Calculate required deductions

2.7 Calculate per paycheck deductions for optional deductions

2.8 Calculate number of unemployed and number of available workers via the unemployment rate equation

As a class, complete an explanation of each key skill (11 total).

IWBAT review for my unit test.

2.10 Cost of Living and Budget Unit Test

3/11/15

Paper test 2.10.5 #1-5

IWBAT demonstrate proficiency on my unit test.